

January 8, 2003

Mike Fiore, Director  
Division of Integrated Health Services  
Center for Medicaid and State Operations  
Centers for Medicare and Medicaid Services  
Mail Stop S2-01-16  
7500 Security Boulevard  
Baltimore, MD 21244-1850

Dear Mr. Fiore:

The purpose of this letter is to formally withdraw our request to move the line on the Prioritized List of Health Services by thirty-five lines. Oregon planned to use savings from a line movement to balance a revenue shortfall. Our deadline to implement the line movement was March 1, 2003. Given the status of discussions on the line movement, we will move forward with our previously identified alternative action to eliminate the drug benefit on March 1, 2003 for OHP Standard clients to fill our revenue shortfall. Should Oregon voters decide to raise taxes at the end of January, the drug benefit would remain a covered service for OHP Standard clients.

The Oregon Department of Human Services staff and CMS staff can now turn their full attention to the development of the streamlined process for line movement on the Prioritized List of Health Services. Work on the streamlined process has already begun. We are confident that a streamlined process and revisions incorporated into the 2003-2005 List will facilitate future line movement requests.



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Your recent approval of our request for an eight line movement on the Prioritized List of Health Services was appreciated. We look forward to working with you on the development of a streamlined process for line movement. Should you have any questions you may contact me, or Joan M. Kapowich, Manager, Program and Policy Section at (503) 945-6500.

Sincerely,

Lynn Read  
Acting Administrator

C: Donna Schmidt, Oregon Project Officer  
Randy Poulsen, Region X, CMS